

Brimstone Investment Corporation Limited  
(Incorporated in the Republic of South Africa)  
Registration number 1995/010442/06  
Share Code: BRT ISIN: ZAE000015277  
Share Code: BRN ISIN: ZAE000015285  
("Brimstone")

## **ANNOUNCEMENT REGARDING THE ACQUISITION BY SEA HARVEST OF A FURTHER 28% EQUITY INTEREST IN VIKING AQUACULTURE PROPRIETARY LIMITED**

### **1. INTRODUCTION**

- 1.1. Brimstone shareholders are referred to the announcement released on SENS today by Sea Harvest Group Limited ("**Sea Harvest**"), a 53.4% held subsidiary of Brimstone, and are advised that Sea Harvest's wholly-owned subsidiary, Sea Harvest Aquaculture Proprietary Limited, which currently owns 54% of the shares in Viking Aquaculture Proprietary Limited ("**Viking Aquaculture**"), has entered into an agreement to acquire a further 28% of the shares in and loan claims against Viking Aquaculture for a purchase consideration of R210,000,028 (two hundred and ten million and twenty-eight rand) ("**Purchase Consideration**"), from minority shareholders of Viking Aquaculture, being Viking Fishing Group Administration Proprietary Limited ("**VFGA**") and Odin Investments Proprietary Limited ("**Odin**") (the "**Parties**"), which hold an 18% and a 10% interest in Viking Aquaculture respectively (collectively the "**Further Acquisition**"). The beneficial owners of VFGA and Odin are the beneficiaries of the Nico Bacon Family Trust, RWFT Investments Proprietary Limited and Redburg Investments Proprietary Limited.
- 1.2. None of these parties are a related party in terms of the Listings Requirements of the JSE Limited ("**JSE**").
- 1.3. The Further Acquisition is subject to the conditions precedent set out in paragraph 5 below.

### **2. DESCRIPTION OF VIKING AQUACULTURE**

- 2.1. Viking Aquaculture is a vertically integrated, sustainable abalone producer with farms in Buffeljags in the Western Cape and Kleinzee in the Northern Cape producing 500 tons of abalone per annum. These high value, high margin aquaculture species are sold in Far East markets in live, dried, canned and frozen formats. Viking Aquaculture also has two vertically integrated oyster farming operations in South Africa and Namibia.

### **3. RATIONALE FOR THE FURTHER ACQUISITION**

- 3.1. Sea Harvest's strategy encompasses growth in the sustainable fishing and high-value aquaculture sectors in line with its vision of becoming one of the largest black owned diversified global seafood and food companies.
- 3.2. The Further Acquisition fits within Sea Harvest's investment criteria and increases its ownership in Viking Aquaculture from 54% to 82%, allowing it to integrate Viking Aquaculture, extract operational synergies and align operating structure, growth strategies and funding requirements with that of Sea Harvest.

### **4. PURCHASE CONSIDERATION AND OTHER TERMS**

- 4.1. The Purchase Consideration will be settled in cash, with R28 (twenty-eight rand) settled on the Effective Date (see paragraph 5 below) and the balance payable in five equal installments of R42,000,000 (forty two million Rand), together with any interest accruing thereon (compounded and calculated monthly at a rate equal to Prime less 2% per annum, estimated to be around R52,062,500 (fifty two million, sixty two thousand and five hundred rand) for the period (assuming the Prime rate remains constant), payable on the 1<sup>st</sup> of January of each year, commencing on 1 January 2024 and ending on 1 January 2028.

- 4.2. The Purchase Consideration will be funded from a combination of cash on hand and available bank facilities.

## 5. CONDITIONS PRECEDENT

- 5.1. The Further Acquisition is subject to the fulfillment of suspensive conditions, that are usual for a transaction of this nature, by no later than 15 March 2023.
- 5.2. The Further Acquisition contains representations, warranties and indemnities and is subject to such other terms and conditions as are considered typical for a transaction of this nature.
- 5.3. The closing date of the Further Acquisition will be the first business day following the day on which the suspensive conditions are fulfilled or waived (or such other closing date as may be agreed on in writing by the Parties), which is expected to occur on or about 15 March 2023 (the "**Effective Date**").

## 6. FINANCIAL INFORMATION

- 6.1. As at 31 December 2022, Sea Harvest owned 54% of the shares of Viking Aquaculture and as a result Viking Aquaculture has been consolidated into the Sea Harvest Group's reviewed condensed financial statements for the year ended 31 December 2022.
- 6.2. The attributable net asset value consolidated into Sea Harvest's condensed statement of financial position as at 31 December 2022 included property, plant and equipment, biological assets, inventories, trade and other receivables, trade and other payables, deferred taxation and borrowings. As at 31 December 2022, the consolidated statement of financial position of Viking Aquaculture reflected liabilities exceeding assets by R106,350,851.
- 6.3. The consolidated loss after tax attributable to Viking Aquaculture for the financial year ended 31 December 2022 was R31,946,030.
- 6.4. The reviewed condensed consolidated financial statements for the year ended 31 December 2022 from which this information has been extracted has been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act (No. 71 of 2008) as amended.

## 7. CATEGORISATION

- 7.1. In terms of the Listings Requirements of the JSE, the Further Acquisition is categorised as a Category 2 transaction for Brimstone.

Cape Town  
8 March 2023

### **Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited